

## Message Text

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43

ACTION EUR-25

INFO OCT-01 EA-11 NEA-10 IO-13 ADP-00 AID-20 CEA-02

CIAE-00 COME-00 EB-11 FRB-02 INR-09 NSAE-00 RSC-01

OPIC-12 TRSE-00 CIEP-02 LAB-06 SIL-01 SAL-01 OMB-01

STR-08 XMB-07 PA-03 PRS-01 USIA-12 RSR-01 EURE-00

INRE-00 L-03 H-02 OIC-04 /169 W  
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P R 091644 Z MAR 73

FM USMISSION OECD PARIS

TO SECSTATE WASHDC PRIORITY 9011

INFO AMEMBASSY ANKARA

AMEMBASSY ATHENS

AMEMBASSY BERN

AMEMBASSY BONN

AMEMBASSY BRUSSELS

AMEMBASSY CANBERRA

AMEMBASSY COPENHAGEN

AMEMBASSY DUBLIN

AMEMBASSY THE HAGUE

AMEMBASSY HELSINKI

AMEMBASSY LISBON

AMEMBASSY LONDON

AMEMBASSY LUXEMBOURG

AMEMBASSY MADRID

AMEMBASSY OSLO

AMEMBASSY OTTAWA

AMEMBASSY PARIS

REYKJAVIK 617

AMEMBASSY ROME

AMEMBASSY STOCKHOLM

AMEMBASSY TOKYO

AMEMBASSY VIENNA

AMEMBASSY WELLINGTON

USMISSION GENEVA

USMISSION EC BRUSSELS

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E. O. 11652: N/A

TAGS: ETRD, OECD

SUBJECT: OECD TRADE COMMITTEE WORKING PARTY ON GOVERNMENT  
PROCUREMENT, MARCH 5-9

1. SUMMARY. ALTHOUGH SUBSTANTIAL SUBSTANTIVE DIFFERENCES STILL REMAIN WITH RESPECT TO A GOVERNMENT PROCUREMENT CODE, THERE WERE SIGNS DURING THE MEETING THAT SOME GOVERNMENTS ARE GIVING GREATER INTERNAL ATTENTION TO THE POLICY ISSUES RAISED BY THE PROPOSED CODE. WORKING PARTY DISCUSSED DRAFT CODE IN DETAIL AND THEN AGREED THAT THE SECRETARIAT, WITH ASSISTANCE OF SMALL ADVISORY GROUP, WOULD PREPARE NEW DRAFT OF CODE FOR EXAMINATION BY WORKING PARTY AT JUNE 25-29 MEETING.

2. IN ACCORDANCE WITH INSTRUCTIONS, US DEL MADE GENERAL STATEMENT URGING RAPID PROGRESS, CITING PRINCIPLES WHICH MUST BE INCORPORATED IN CODE, REITERATING SPECIFIC POINTS MADE BY US IN JANUARY TRADE COMMITTEE MEETING, AND QUOTING PERTINENT EXCERPTS FROM US GOVERNMENT POLICY STATEMENT ISSUED IN CONNECTION WITH GRAND COULEE PROCUREMENT.

3. AFTER OTHER STATEMENTS ( INCLUDING EXPECTED FRENCH STATEMENT NOTING THAT THE COMMISSION DIRECTIVE IS STILL IN DRAFT FORM AND POINTING OUT AGREEMENT WON' T BE EFFECTIVE IF IT IS TOO AMBITIOUS), WORKING PARTY EXAMINED IN DETAIL THE DRAFT CODE PREPARED BY SECRETARIAT. EXERCISE PROVED USEFUL AS IT SHARPENED AND CLARIFIED ISSUES AND POSITIONS. THE ONLY SUBSTANTIVE CHANGE OF NOTE WAS THE FRENCH POSITION ( NOT CHALLENGED BY OTHER MEMBERS OF THE COMMUNITY) THAT NO DEROGATIONS SHOULD BE PROVIDED IN THE GUIDELINES. HE POINTED OUT THAT GOVERNMENT PROCUREMENT SHOULD NOT BE USED TO ACHIEVE OTHER ECONOMIC ENDS SUCH AS INDUSTRIAL DEVELOPMENT. THERE WERE ALSO SOME MOVES TOWARD ACCOMMODATION ON MINOR MATTERS.

4. DURING MEETING COMMISSION REP REPORTED ON CHANGES  
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MADE IN COMMISSION DIRECTIVE ON GOVERNMENT PROCUREMENT

AS A RESULT OF CONSULTATIONS WITH EUROPEAN PARLIAMENT AND ECONOMIC AND SOCIAL COMMITTEE, THE MOST IMPORTANT OF WHICH WAS EXPECTATION THAT THRESHOLD WILL BE SET AT 100,000 UNITS OF ACCOUNT. HE STATED THAT DIRECTIVE WOULD GOT TO COUNCIL THE LAST OF MARCH AND " SHOULD" BE ADOPTED BY THE END OF THE YEAR.

5. GROUP CLEARLY UNABLE ACCEPT FORMAL DRAFTING GROUP. COMPROMISE SOLUTION PROVIDES THAT THE SECRETARIAT, WHICH HAS BEEN CHARGED WITH PREPARING NEW GUIDELINES ( FOR FALL CONSIDERATION BY TRADE COMMITTEE AFTER EXAMINATION BY TCWP ON GOVERNMENT PURCHASING), WILL TURN TO MEMBERS OF WORKING GROUP FOR DRAFTING ASSISTANCE. IN POST MEETING CONVERSATIONS, WE LEARNED SECRETARIAT THINKING IS THAT THIS " ADVISORY GROUP" WILL PROBABLY CONSIST OF US, FRANCE, DENMARK, COMMISSION REPRESENTATIVE, SWITZERLAND, AND CANADA ( POSSIBLY AUSTRALIA TOO) AND WILL MEET IN PARIS EITHER LAST WEEK IN APRIL OR FIRST WEEK OF MAY TO DEVELOP NEW DRAFT FOR REVIEW BY GOVERNMENTS. WORKING PARTY WILL MEET AGAIN JUNE 24-29 TO EXAMINE DRAFT FOR SUBMISSION TO TRADE COMMITTEE.

6. DESPITE LACK OF PROGRESS ON ISSUES, IT WAS ENCOURAGING TO NOTE THAT SEVERAL GOVERNMENTS ARE TAKING CLOSER LOOK AT AGREEMENT INTERNALLY. FOR EXAMPLE:

A. CANADA SENT FIVE MENT DELEGATION INCLUDING REPRESENTATIVES FROM PROCUREMENT AGENCY AND FINANCE;

B. AUSTRALIA SENT OFFICIAL FROM CANBERRA FOR FIRST TIME; C. SWISS SENT HIGH CALIBER REPRESENTATIVE FROM BERN WHO PLAYED CONSTRUCTIVE ROLE THROUGHOUT MEETING; D. JAPANESE DELEGATE SHOWED UP WITH LONG LIST OF QUESTIONS FROM TOKYO ON MEANING OF VARIOUS PROPOSALS IN GUIDELINES AND POSSIBLE EFFECT ON CURRENT JAPANESE LAW AND PRACTICES.

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\*\*\* Current Classification \*\*\* LIMITED OFFICIAL USE

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BERN  
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BRUSSELS  
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